

MOST IMMEDIATE


F.No 10(11)PFC-I/2022
Ministry of Finance
Department of Expenditure
(PFC –I Division)

North Block, New Delhi
Dated: 24th March, 2023

OFFICE MEMORANDUM

Subject: Minutes of Public Investment Board (PIB) meeting for inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under Pradhan Mantri Krishi Sinchai Yojana- Accelerated Irrigation Benefit Program (PMKSY-AIBP) regarding.

The undersigned is directed to forward herewith the minutes of the PIB Meeting held on 07.03.2023 at 03:00 PM to appraise the project - "inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under PMKSY-AIBP" of D/o WR, RD&GR under the Chairmanship of Finance Secretary and Secretary (Expenditure) in Room No 169-D (FRESCO), North Block, New Delhi for further necessary action.


(Partha Paul)
Under Secretary (PFC-I)
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To,

Secretary,
Department of Water Resources,
River Development & Ganga Rejuvenation
Shram Shakti Bhawan, New Delhi

Copy to :-

1. CEO, NITI Aayog, NITI Bhavan, Sansad Marg, New Delhi.
2. Secretary, Ministry of Home Affairs, North Block, New Delhi.
3. Secretary, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi
4. Secretary, Do A&FW, Ministry of Agriculture & Farmers Welfare, New Delhi.
5. Secretary, Ministry of Environment, Forest & Climate Change, New Delhi.
6. Secretary, Ministry of Tribal Affairs, New Delhi.
7. Secretary, DoLR, Ministry of Rural Development, New Delhi.
8. Secretary, Ministry of Labour and Employment, New Delhi.
9. Secretary, Ministry of Panchayat Raj, New Delhi.
10. Secretary, Ministry of Fisheries, Animal Husbandry and Dairying, New Delhi.

11. Additional Secretary (Budget), Budget Division, Department of Economic Affairs ,
Ministry of Finance, North Block, New Delhi
12. JS&FA, D/o WR, RD & GR, Shram Shakti Bhawan.
13. Chief Adviser (Cost), O/o Chief Adviser (Cost), Lok Nayak Bhawan, New Delhi.

Copy to:

Adviser (Cost), Room No. 504, 5th floor, Block 11, CGO Complex, New Delhi.

For internal circulation to:

PSO to Finance Secretary & Secretary (Expenditure), PPS to JS (PFC-I), PPS to AS
(Budget)/ PS to DS (PB)

Naik
24/3/2023

Minutes of the PIB meeting held on 7th March, 2023 under the chairmanship of Finance Secretary & Secretary (Expenditure) for appraisal/inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under Pradhan Mantri Krishi Sinchai Yojana -Accelerated Irrigation Benefits Programme (PMKSY-AIBP)scheme of Department of Water Resources, River Development & Ganga Rejuvenation (DoWR, RD&GR), Ministry of Jal Shakti

A meeting of the Public Investment Board (PIB) was held on 7th March, 2023 at 3.00 PM in FRESCO (Room No. 169 D), North Block, New Delhi under chairmanship of Finance Secretary & Secretary (Expenditure) to appraise the proposal of DoWR, RD & GR for inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under PMKSY-AIBP scheme. List of participants is at **Annexure-I**.

2. At the outset, **the Chairman** welcomed the participants and invited DoWR, RD&GR to present the proposal for appraisal/inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under PMKSY-AIBP scheme.

3. **Commissioner (SPR), DoWR, RD&GR** briefed about the project. Jamrani Dam Multipurpose Project envisages construction of roller compacted concrete gravity dam near Jamrani village across river Gola, a tributary of river Ram Ganga in Nainital district of Uttarakhand. The project envisages additional irrigation of 57,065 ha by increasing irrigation intensity in about 1.50 lakh ha cultivable command area in Nainital & Udham Singh Nagar districts of Uttarakhand, and Rampur & Bareilly districts in Uttar Pradesh. The project also envisages hydro power generation of 14 MW, as well as provision of 42.70 million cubic meter (MCM) of drinking water to Haldwani region. The project is proposed to be completed in five years, i.e., upto March, 2028.

4. **He** further stated that the project has been planned for implementation under two phases. Under Phase I, construction of Gola Barrage, along with 40.5 km length of canal system and also renovation of about 244 km long canal system, was completed in 1981. Under the current Phase II, construction of Jamrani dam is proposed to provide augmentation storage for Gola Barrage. The additional annual



irrigation benefits between Uttarakhand and Uttar Pradesh is 9,458 hectare and 47,607 hectare respectively. A memorandum of understanding (MoU) is in place between the Government of Uttar Pradesh and Government of Uttarakhand, for sharing of benefits and cost of Jamrani Dam project.

5. It was further briefed that the procedure for inclusion of a project under PMKSY-AIBP scheme stipulates acceptance by Advisory Committee on Irrigation, Flood Control and Multipurpose Projects (Advisory Committee) of DoWR, RD&GR, followed by investment clearance. Thereafter, the project is to be recommended by Screening Committee established for this purpose, followed by appraisal and approval of Government of India for its inclusion as well as funding. The Advisory Committee accepted the revised cost estimate (RCE) of Jamrani Dam Multipurpose Project, Uttarakhand in its 141st meeting held on 11.02.2019. Subsequently, investment clearance was accorded to the project by Investment Clearance Committee (ICC) of DoWR, RD&GR in its 17th meeting held on 20.06.2022 for ₹ 2,584.10 crore (May 2018 Price Level). The project has been recommended by the Screening Committee in its 4th meeting held on 18.10.2022 for inclusion under AIBP component of the PMKSY scheme. The scheduled completion of the project is March, 2028.

6. The financial details for the project were presented by DoWR, RD &GR. It was informed that inclusion of the project under PMKSY-AIBP shall make the project eligible for central assistance in the proportion 90 (Centre): 10 (State) for the balance works components of estimated cost of the project, with effect from beginning of the financial year of its inclusion. An expenditure of Rs 126.35 crore has been incurred till March, 2022. Cost of power component is Rs 569.2 crore. Balance cost of the project eligible for funding (excluding establishment and power components) works out to Rs 1,730.2 crore. Central share at 90 % funding works out to Rs 1,557.18 crore.

7. It was further informed that allocation of Rs. 5,784 crore has been approved under PMKSY-AIBP for new major and medium projects. So far, six projects with central assistance component of Rs. 1,321.39 crore have been included under


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PMKSY-AIBP. The expenditure towards central assistance for the project has been proposed to be met from approved allocation of PMKSY-AIBP.

8. Thereafter, **the Chairman, PIB** invited comments from participating Departments/Ministries, which are given below.

9. **Advisor (Cost), DoE** desired to know the rationality behind the cost apportionment between irrigation, drinking water and power. He also opined that considering the power benefits envisaged from a 14 MW power plant, the cost apportioned for the same amounting to Rs. 569.2 crore is on much higher side. **He** further submitted that the benefit-cost ratio of the project being 1.09 at 2018 price level, is barely above 1, and at the current price level it may even have been pushed below the benchmark of 1. **He** further sought clarification on the reason for taking up construction of another 278.24 km canal works under this phase of work, when 80% of the distribution system has already been completed under phase-I. **Advisor (Cost), DoE** also pointed out that in the cost estimate given in the detailed project report (DPR) of the project accepted by the Advisory Committee of DoWR, RD&GR, the establishment cost has been included twice, which needs to be clarified.

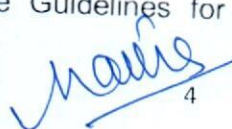
The above referred queries were generally responded to by the **Additional Chief Secretary (Finance), Government of Uttarakhand** and other representatives from DoWR, RD&GR, Government of India as well as Government of Uttarakhand. They informed that the cost apportionment has been done on the basis of MoU signed between the Governments of Uttar Pradesh and Uttarakhand on 11.10.2017. However, **the Chairman opined** that the response to each of the above issues raised by Advisor (Cost), DoE needs to be specific and based on references from the available documents. Further, **he** stated that the issues require detailed examination on the part of DoWR, RD&GR and Government of Uttarakhand. For this purpose, a working group was constituted under Joint Secretary, PFC-I, DoE, with participation from Senior Advisor, NITI Ayog, Chief Advisor (Cost), Advisor (Cost), DoE, Commissioner (SPR), DoWR, RD&GR and officers from Government of Uttarakhand. The working group was mandated to deliberate upon the following issues:



- i. BC Ratio of the project for all three scenarios (irrigation; irrigation and drinking water; and irrigation, drinking water and power) need to be evaluated based on the documents to be provided by the Government of Uttarakhand,
- ii. The issue of higher establishment charges; and
- iii. Length of Canal / distribution system to be actually constructed/ renovated. It was also desired that the working group may, within a short period, come up with specific findings on the mandated issues and submit it to the EFC.

10. **Senior Advisor, NITI Ayog** observed that only 411.65 ha of land has been acquired out of 609.33 ha of the total required land (67.55%). As land to be acquired involves private and forest land, the project may further get delayed on account of non-acquisition of land, which will result in further cost and time overrun. **He** further wanted to know the basis of qualification of project for inclusion under PMKSY-AIBP, especially when the project does not meet the 50% physical work criteria. It was also stated that State of Uttarakhand has not utilized the already created irrigation potential to its full capacity. **He** also pointed out that drinking water and electricity benefits and costs have not been taken in the benefit cost ratio (BCR) calculation, and if added the BCR may be less than 1(one). Lastly, **he** suggested that O&M charges of the project should be recovered by levying water user charges in the command area of the project in consonance with the National Water Policy.

Responding to the above issues, **Additional Chief Secretary (Finance), Government of Uttarakhand** clarified that 411.65 ha land has been acquired, which is sufficient to start construction activities and remaining land shall be required at a later stage of the construction, for which acquisition process is under progress. It was also clarified that a major portion of balance 197.68 ha land to be acquired comprises of Government land for resettlement of affected families getting displaced due to the submergence which can be acquired at a very short notice. He further informed that although Uttarakhand is highest among the hilly States in terms of irrigation development, the net irrigated area to net sown area of Uttarakhand is less than national average. Therefore, projects of Uttarakhand are eligible for relaxation in advance stage implementation criteria for inclusion under PMKSY-AIBP, in terms with the para 1.1.2 of the Guidelines for PMKSY-AIBP and National projects,


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February-2022. It was also clarified that the BCR calculations are as per the CWC Guidelines for Submission, Appraisal and Clearance of Irrigation and Multipurpose Projects, 2010. As far as the issue of recovery of O&M charges through levying of water charges is concerned, **Additional Chief Secretary (Finance), Government of Uttarakhand** assured that the State would levy suitable water charges for O&M.

11. **Additional Chief Advisor (Cost), O/o Chief Advisor Cost** expressed apprehensions that the project cost being at price level of 2018 may increase during the execution of the project which may also make the project unviable as the BCR is barely above the benchmark of 1.

It was clarified by DoWR, RD&GR representative that the central funding shall be capped to Rs. 1,557.18 crore and any increase in the cost during the implementation of the project shall be borne solely by the beneficiary States.

12. **Additional Secretary (Budget), DEA** highlighted that as per CAG para, many ineligible projects are taken under the scheme and Government of India should be sure that the project is actually eligible. He also pointed out that, major irrigation benefits from the project lie in the State of Uttar Pradesh, whereas the project is being proposed for central assistance in a proportion of 90(centre):10(state) which is applicable to hilly States.

Commissioner (SPR), DoWR, RD&GR informed that as per the guidelines of PMKSY-AIBP(Para 3.1.10), in case of projects envisaging dam fully located in NE Region or in hilly States, funds would be provided for them as per 90 (C) : 10(S) funding pattern irrespective of fact that water so stored would be utilized by various States from downstream systems for utilization.

13. **The Joint Secretary, PFC-I, DoE** wanted to know the status of statutory clearances for the project. Further, in view of the substantial R&R involved **he** stated that the PIB note mentions that a special R&R policy for the project is under consideration of the State Government, the status of the same may be clarified. It was highlighted that the water charges / O&M charges in Nainital region of the State where the project is located, is zero which needs to be suitably amended by the state. The cost for developing 14 MW of power is above Rs.600 Crore, which is very

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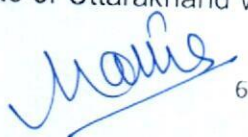
high; hence whether the Government of Uttarakhand has any power purchase agreements may be informed. He further suggested that the State Governments of Uttarakhand as well as Uttar Pradesh may consider measures such as micro irrigation in the command area of the project, extensive catchment area treatment for arresting the silt and proper monitoring of the project along with third party evaluation of the project after its completion.

14. The project authorities informed that all the applicable statutory clearances have been obtained for the project, except NOC from National Tiger Conservation Authority (NTCA) for which the proposal has already been forwarded by State Wild Life Board to Central Wild Life Board. It was further informed that detailed R&R plan has been prepared for the project. It was also informed that the land acquisition rates shall be as per the State policy. It was clarified to the State Government representatives that the central assistance for R&R shall be as per the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 as amended from time to time, and any additional liability in this regard incurred by the State Government shall have to be borne exclusively by the State Governments concerned. The State Government Officials stated that the above suggestions regarding micro irrigation, command area development etc will be complied with.

15. The working group so constituted to resolve the issues raised by Advisor (Cost), met under chairmanship of Joint Secretary, PFC-I, DoE on 14th March, 2023. Based on the deliberations in the meeting, a report has been prepared (**Annexure II**) by the representatives, Government of Uttarakhand, bringing out in detail the findings on each of the three issues referred to the working group. List of participants is at **Annexure III**. A summary of the conclusions of the working group are given below.

(A). The issue of BC Ratio

16. **Chief Engineer (Irrigation Department) of Uttarakhand Government** submitted that they have had extensive consultations with CWC and shared all the relevant data & calculation sheets with CWC, NITI Aayog, Office of CAC, Advisor (Cost), DoE. He clarified that while calculating BC ratio as given in the DPR, average yield of the State of Uttarakhand was taken, however, the project is actually



going to benefit the Tarai, Bhabhar and Gangetic plain regions of the two states which have very high productivity in comparison to the average yield of individual states. He stated that the biggest difference has been in the yield of wheat, which was considered as 23 qtl/ha in the approved BC ratio and has now been taken as 40.97 qtl/ha (weighted average yield of the four districts). Thus, the BC Ratio calculations with the benefits on the basis of weighted average yield in the districts where the additional command is located has now been recalculated for the three scenarios, i.e., irrigation only, irrigation and drinking water, and irrigation, drinking water and power at the Price Level of 2018.

17. **Representative of NITI Aayog** raised the issue that since benefits due to Power Generation and Drinking Water Supply has been considered, the cost of Power evacuation and cost of developing Drinking Water Distribution System also need to be considered. **The Chief Engineer, Irrigation Department, Government of Uttarakhand** informed that no construction for distribution of Drinking water is required, the same would be distributed from already constructed Gola Barrage. However, cost of Power evacuation has now been included and revised recalculated BC Ratio for different components is as follows:-

- I. 1.77 for Irrigation component only
- II. 1.44 for irrigation and Drinking Water
- III. 1.19 for Irrigation, Drinking Water and Power

He further elaborated that for calculation of Drinking Water benefits the cost of water charges being paid has been taken. Similarly for calculation of power benefits cost of electricity to consumer has been taken.

18. He submitted that the project is economically viable even when all costs and all benefits are considered comprehensively, which corresponds to the third scenario as mentioned above. The above view was supported by CWC, Office of CAC, representative of NITI Aayog and Advisor (Cost), DoE.

(B).The issue of Establishment Charges



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19. **The Chief Engineer, Irrigation Department, Government of Uttarakhand** stated that the establishment charges in the cost estimate of the project has been taken as per the guidelines of Central Water Commission for preparation of project estimates for river valley projects, 2010. While one of the establishment charges are to be calculated over Works, the other establishment charges have been embedded in the cost estimation for the contractors. It was further informed to the group that the establishment cost for works are to be borne exclusively by the State Governments concerned. Advisor (Cost) raised certain queries on the issue. There after CWC officials showed the various guidelines regarding establishment charges to be met from different components. The guidelines are at **Annexure IV**. The Advisor (Cost) was satisfied with the explanation and documents submitted.

(C) The issue of length of Canal

20. **The Chief Engineer, Irrigation Department, Government of Uttarakhand** informed that construction of 40.5 km feeder canals and remodeling of 243.60 km long canals, entirely in the gangetic region now in Uttar Pradesh, was carried out under phase -1 works of the project between 1977-82. Further, under the current phase, two new feeder canals of 17.25 km has been proposed to be constructed along with renovation of canals for 206.89 km. Additionally, provision of construction of 278.24 km of pucca field channels will be taken up. It was clarified that these are not canals or sub-canals per se but small water carrying channels for individual field, and these have been kept in the present proposal. The cost estimate has accordingly been prepared. CWC and other officers were satisfied with the above explanation.

Thus, the issues mandated to the working group were considered as resolved by all the members.

21. On the basis of deliberations during the meeting and findings of the working group, inclusion of Jamrani Dam Multipurpose Project of Uttarakhand is recommended by the PIB for inclusion under PMKSY-AIBP, subject to the following conditions:

- a. Central assistance for the project is capped at Rs. 1,557.18 crore. Cost escalation due to any reason in the estimated cost of the project would not

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have any impact on the central assistance, and all such escalations are to be borne exclusively by the State Governments concerned.

- b. Land acquisition and R&R costs to be considered for deriving the central assistance shall be limited to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 as amended from time to time, and any additional liability will be borne by the concerned State Government.
- c. The project shall be implemented through the Single Nodal Agency and other norms prescribed by Government of India for implementation of centrally sponsored schemes, as amended from time to time. Depositing corresponding state share (for Uttar Pradesh and Uttarakhand both) in the SNA account shall be responsibility of Government of Uttarakhand.
- d. After the commissioning of the project, the State Governments shall ensure that adequate yearly budget is kept for the O&M of the project. Further, the two State Governments shall also ensure that the irrigation charges are levied and recovered from the beneficiaries of the project, once irrigation from the project becomes available. The final instalment will be payable only when reasonable charge for water and O&M have been levied by the respective State Governments.
- e. Financial assistance to the project shall be as per the Guidelines of PMKSY-AIBP and Guidelines of DoE issued in this regard as amended from time to time.

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Annexure-I

List of participants of the Meeting of Public Investment Board (PIB) for appraisal of the project “appraisal/inclusion of Jamrani Dam Multipurpose Project of Uttarakhand under Pradhan Mantri Krishi Sinchai Yojana -Accelerated Irrigation Benefits Programme (PMKSY-AIBP) scheme of Department of Water Resources, River Development & Ganga Rejuvenation (DoWR, RD&GR)” on 07.03.2022 at 03:00 P.M. in Room No. 169-D (FRESCO), North Block, New Delhi.

Dr. T V Somanathan, Finance Secretary & Secretary (Expenditure) in chair.

Department of Expenditure

1. Sh. Amit Singh Negi, Joint Secretary(PFC-I)
2. Sh. P Parthiban, Deputy Secretary (PFC-I)
3. Ms Geeta Chhabra, Additional Chief Advisor Cost
4. Sh. M.K. Sahoo, Advisor (Cost)

Department of Water Resources, RD & GR

1. Sh. Pankaj Kumar, Secretary
2. Ms Richa Misra, Joint Secretary & FA
3. A S Goel, Commissioner, SPR
4. Sh. Amit Kumar Jha, Senior Joint Commissioner
5. Sh Navin Kumar, Member (WP&P), CWC
6. Sh Yogesh Paithankar, CE, PAO,CWC

Department of Economic Affairs

1. Sh. Ashish Vachhani, Additional Secretary(Budget)
2. Dr. Jitender Singh, Director

NITI Aayog

1. Sh. Anurag Goyal, Senior Advisor, PAMD
2. Sh. Amaresh Girish Nashi, Sr. Assistant, PAMD

Department of Land Resources

1. Sh. S K Daila, Director

Department of Agriculture & Farmers Welfare

1. Sh. Yogesh A. Raundal, Assistant Commissioner

Government of Uttarakhand

1. Sh H C Semwal, Secretary, Irrigation
2. Sh Anand Bardhan, Additional Chief Secretary (Finance)
3. Sh. Anil Kumar, Engineer in Chief (Project), Irrigation Department
4. Sh. Jaipal Singh, HOD, Irrigation Department
5. Sh Subhash Chandra, CE, Irrigation Department
6. Sh B B Pandey, Executive Engineer, Irrigation Department
7. Sh Ashok Kumar Kataria, Executive Engineer, Peyjal Nigam, Haldwani
8. Sh Ajay Pant, Assistant Engineer, Irrigation Department
9. Sh. Digvijay Singh, GM, Uttarakhand Jal Vidyut Nigam Ltd.
10. Sh. Prashant Bishnoi, GM (Project)
11. Sh. Puneet Kumar, DGM, Uttarakhand Jal Vidyut Nigam Ltd.

Government of Uttar Pradesh

1. Sh. Amit Pranav, Joint Secretary, Irrigation & WRD Department